Vermont Health Access Pharmacy Benefit Management Program

October, November and December 2010

Quarterly Report to Health Access Oversight Committee

Q2 SFY 2011

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Pharmacy Benefit Management Program Quarterly Report

October, November and December 2010

The Agency of Human Services, Department of Vermont Health Access (DVHA), is pleased to provide the quarterly report to the Health Access Oversight Committee as required by Act 127 approved in 2002 and found in 33 V.S.A. Chapter 19 § 2001. This report covers the activities of the Pharmacy Benefits Manager (PBM) for the second quarter of State Fiscal Year 2011.

The three requirements are set out in bold italics. The DVHA's response follows each requirement.

§2001 (c) (1) "The director of the office of Vermont health access shall report quarterly to the health access oversight committee concerning the following aspects of the pharmacy best practices and cost control program:

(1) the efforts undertaken to educate health care providers about the preferred drug list and the program's utilization review procedures;"

During this quarter, the following informational mailings were sent to pharmacy providers:

- December 2010: Fax Blast to Pharmacies: January 3, 2011 PDL Changes
 - These changes included:
 - Coverage limitation to omeprazole Rx 20mg and 40mg
 - Suboxone® Sublingual Film designated as the preferred Suboxone® dosage form
 - Products moving to non-preferred status and other miscellaneous changes to the PDL
- December 2010: Notice that Suboxone® Sublingual Film would become the preferred Suboxone® dosage form beginning 1/3/11.
- December 2010: 2011 Claims Processing Updates:
 - o Closing of the Part D Coverage Gap
 - o Part D Plans for 2011 (billing and contact information)
 - Member Enrollment Assistance
 - Point-of-Sale Facilitated Enrollment (POS FE) Process & Limited Income Newly Eligible Transition Program
 - January 3, 2011 changes to VPharm Pilot Program for Statins and Proton Pump Inhibitors (PPI's):
 - Coverage limitation to omeprazole Rx 20mg and 40mg.
 - Prilosec OTC will no longer be covered.

In an attempt to make all documents available to interested parties, the department maintains a web page with information related to the Pharmacy Benefits Management Program at: http://dvha.vermont.gov/for-providers.

"(2) the number of prior authorization requests made;"

| Clinical Prior Authorization Requests | | | | | | |
|---|----------|----------|---------|--------|------------------------|--|
| | Requests | Approved | Changes | Denied | Fair Hearing Status | |
| October | 1,913 | 1,466 | 48 | 399 | None 1 Withdrawn, 1 | |
| November | 1,901 | 1,408 | 40 | 453 | Pending | |
| December | 1,742 | 1,360 | 41 | 341 | None | |
| Total | 5,556 | 4,234 | 129 | 1193 | | |
| Quantity Limit Prior Authorization Requests | | | | | | |
| | Requests | Approved | Changes | Denied | Fair Hearing Status | |
| October | 214 | 164 | 19 | 31 | None | |
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|---|-----------|-------------|----------|---------|--------------|
| October | 214 | 164 | 19 | 31 | None |
| November | 473 | 423 | 11 | 39 | 1 Withdrawn |
| December | 224 | 189 | 9 | 26 | None |
| Total | 911 | 776 | 39 | 96 | |
| | | | | | |
| Combined Clinical and Quantity Limit Prior Authorization Requests | | | | | |
| | | | • | | Fair Hearing |

| Combined Clinical and Quantity Limit Prior Authorization Requests | | | | | |
|---|----------|----------|---------|--------|----------------|
| | | | | | Fair Hearing |
| | Requests | Approved | Changes | Denied | Status |
| October | 2,127 | 1,630 | 67 | 430 | None |
| | | | | | 1 Withdrawn, 1 |
| November | 2,374 | 1,831 | 51 | 492 | Pending |
| December | 1,966 | 1,549 | 50 | 367 | None |
| Total | 6,467 | 5,010 | 168 | 1,289 | |

Data in the table above show that the DVHA received a total of 5,556 requests for **clinical prior authorizations** (**PA**) during the second quarter of State Fiscal Year 2011 (October, November and December 2010). This represents a 6% increase from the total number of clinical prior authorization received during the previous quarter (5,218), and a 10% increase from one year ago, Q2 SFY 2010, when total clinical PA requests were 5,064.

DVHA received a total of 911 requests for **quantity limit prior authorizations** during the second quarter of State Fiscal Year 2011 (October, November and December 2010), an increase of 48% from the total number of quantity limit prior authorization requests received during the previous quarter (614), and a 49% increase from one year ago, Q2 SFY 2010, when total quantity limit PA requests were 611.

Quantity limits are established to promote dose consolidation (that is prescribing of lesser quantities of larger strength dosage forms rather than multiples of lower strength dosage forms which is especially important when all dosage strengths for a particular drug are level priced) and also to promote

rational maximum daily doses where increased doses have either not been shown to offer additional clinical benefit or may be harmful.

"(3) the number of utilization review events (other than prior authorization requests)."

| DUR Description | October | November | December | Grand Total | % of Total |
|-------------------------|---------|----------|----------|-------------|------------|
| DVHA without Part D | 2010 | 2010 | 2010 | | |
| Drug-Age Precaution | 5 | 1 | 5 | 11 | 0.00% |
| Drug-Disease Precaution | 3,777 | 4,105 | 4,945 | 12,827 | 5.06% |
| Drug-Drug Interaction | 9,732 | 14,754 | 13,669 | 38,155 | 15.06% |
| Ingredient Duplication | 8,941 | 9,116 | 9,674 | 27,731 | 10.94% |
| Refill Too Soon | 3,495 | 3,463 | 3,981 | 10,939 | 4.32% |
| Therapeutic Duplication | 53,309 | 54,403 | 56,012 | 163,724 | 64.61% |
| Total | 79,259 | 85,842 | 88,286 | 253,387 | 100.00% |

| DUR Description | October | November | December | Grand Total | % of Total |
|-------------------------|---------|----------|----------|-------------|------------|
| DVHA with Part D | | | | | |
| | 2010 | 2010 | 2010 | | |
| Drug-Age Precaution | 0 | 0 | 0 | 0 | 0.00% |
| Drug-Disease Precaution | 159 | 175 | 195 | 529 | 0.90% |
| Drug-Drug Interaction | 6,130 | 8,509 | 7,501 | 22,140 | 37.65% |
| Ingredient Duplication | 1,465 | 1,326 | 1,387 | 4,178 | 7.10% |
| Refill Too Soon | 487 | 483 | 512 | 1,482 | 2.52% |
| Therapeutic Duplication | 10,117 | 10,202 | 10,159 | 30,478 | 51.83% |
| Total | 20,368 | 22,705 | 21,764 | 58,807 | 100.00% |
| | | | | | |
| Grand Total | 99,627 | 108,547 | 110,050 | 312,194 | |

During the second quarter of SFY 2011, a total of 312,194 utilization events occurred. This was a 4.08% increase from the previous quarter, in which a total of 299,942 utilization review events occurred. Below is a comparison of the utilization review events for the first and second quarters of SFY 2011.

| | Q2 SFY '11 | Q1 SFY '11 | Percent Change: |
|----------------------------|---------------|---------------|--------------------|
| Drug-Age Precaution | 11 | 23 | -52.17% |
| Drug-Disease Precaution | 13,356 | 13,500 | -1.07% |
| Drug-Drug Interaction | 60,295 | 62,034 | -2.80% |
| Ingredient Duplication | 31,909 | 30,876 | 3.35% |
| Refill Too Soon | 12,421 | 11,643 | 6.68% |
| Therapeutic Duplication | 194,202 | 181,866 | 6.78% |
| Total | 312,194 | 299,942 | 4.08% |